



Department of Justice

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INDIANAPOLIS WOMAN GUILTY OF HEALTH CARE FRAUD, RECEIVES SENTENCE OF MORE THAN SIX YEARS

U.S. Attorney says verdict is more progress in fight against "culture of corruption"

PRESS RELEASE

INDIANAPOLIS – Joseph H. Hogsett, the United States Attorney, announced this afternoon that Carol Y. Woodard, age 45, of Indianapolis, has been sentenced to 80 months (6 years, 8 months) by U.S. District Judge Larry J. McKinney after pleading guilty to health care fraud. Woodard admitted to filing more than \$8.9 million in fraudulent claims with Indiana's Medicaid program as the manager of a purported community outreach center, ultimately receiving more than \$1.9 million through her scheme.

"Earlier this year, our office pledged to crack down on those in our state who seek to enrich themselves through deception and fraud," Hogsett said. "This sentence is more evidence that if you embrace that culture of corruption, if you steal from Hoosier taxpayers and our most vulnerable children, you will be caught and brought to justice."

Today's sentencing comes on the heels of the U.S. Attorney's announcement that two Indianapolis-area residents have been charged by indictment with 27-counts related to what is alleged to have been a complex scheme to use local day care centers to defraud Hoosier taxpayers.

"I hope that these cases serve as a warning that this office has zero tolerance for those who would use Hoosier children, and abuse a position of trust, simply to put taxpayer money in their own pockets," Hogsett added.

"Today's sentencing sends a clear message to those who would exploit federally funded health care programs that you will be held accountable," said Lamont Pugh III, Special Agent in Charge of the U.S. Department of Health & Human Services, Office of Inspector General, Chicago Region, which oversees the State of Indiana. "The OIG will continue to work with our

federal and state partners to protect valuable taxpayers resources and ensure that the integrity of the Indiana Medicaid program remains sound.”

"This fraud was an outrageous abuse of public trust, not only for the clients who did not receive services from licensed individuals, but for the taxpayers who got stuck with the tab when this defendant fraudulently billed Medicaid. The sentence and restitution are appropriate in these egregious circumstances," said Indiana Attorney General Greg Zoeller, whose Medicaid Fraud Control Unit (MFCU) worked closely with their federal colleagues and the U.S. Attorney's Office in unraveling the scheme.

Between January 2006 and December 2007, Woodard was the owner and managing director of Gideon's Gate, an Indianapolis-based business that claimed to provide tutoring and day care services to indigent and school age children. At this morning's hearing, Woodard admitted that she executed a scheme to defraud Indiana's Medicaid program by filing more than 2,400 illegitimate reimbursement claims for psychological services she never performed.

These false claims amounted to more than \$8.9 million in attempted fraud, at least \$1.9 million of which was received by Woodard over the course of her scheme. Judge McKinney cited the size and scope of the fraud in making his sentencing decision, as well as the fact that Woodard had betrayed the stated purpose of her organization, ordering the defendant to fully reimburse Medicaid the \$1.9 million loss, as well as serve 3 years of supervised release at the conclusion of the 80 month prison sentence.

This case was a result of the collaborative efforts of the U.S. Attorney's Health Care Fraud Task Force, the U.S. Dept. of Health and Human Services Office of Inspector General, the Federal Bureau of Investigation, and Indiana Attorney General Greg Zoeller's Medicaid Fraud Control Unit.

According to Assistant U.S. Attorneys Bradley P. Shepard and Shelese M. Woods, who prosecuted this case for the government, federal law requires that defendants serve a minimum of 85% of their prison sentence in a federal correctional facility.

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